

House Study Bill 694

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON ELGIN)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for a sick leave and vacation incentive program
2 for state employees and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6587HC 80
5 ec/sh/8

PAG LIN

1 1 Section 1. 2004 SICK LEAVE AND VACATION INCENTIVE PROGRAM.
1 2 1. As used in this section, unless the context provides
1 3 otherwise:
1 4 a. "Credited service" means service under the Iowa public
1 5 employees' retirement system, as service is defined in section
1 6 97B.1A, and membership service under the public safety peace
1 7 officers' retirement, accident, and disability system, as
1 8 defined in section 97A.1.
1 9 b. "Eligible employee" means an employee for which, but
1 10 for participation in the program, the sum of the number of
1 11 years of credited service and the employee's age in years as
1 12 of December 31, 2004, equals or exceeds seventy-five.
1 13 c. "Employee" means an employee of the executive branch of
1 14 this state who is not covered by a collective bargaining
1 15 agreement or who is represented by the largest statewide
1 16 public employees' organization representing state employees,
1 17 including an employee of a judicial district department of
1 18 correctional services if the district elects to participate in
1 19 the program, an employee of the state board of regents if the
1 20 board elects to participate in the program, and an employee of
1 21 the department of justice. However, "employee" does not mean
1 22 an elected official.
1 23 d. "Participant" means a person who timely submits an
1 24 election to participate, and does participate, in the sick
1 25 leave and vacation incentive program established under this
1 26 section.
1 27 e. "Program" means the sick leave and vacation incentive
1 28 program established under this section.
1 29 f. "Regular annual salary" means an amount equal to the
1 30 eligible employee's regular biweekly rate of pay as of the
1 31 date of separation from employment multiplied by twenty-six.
1 32 g. "Sick leave and vacation incentive benefit" means an
1 33 amount equal to the entire value of an eligible employee's
1 34 accumulated but unused vacation plus the lesser of seventy=
1 35 five percent of the value of the eligible employee's
2 1 accumulated and unused sick leave or seventy-five percent of
2 2 the employee's regular annual salary.
2 3 2. To become a participant in the program, an eligible
2 4 employee shall do all of the following:
2 5 a. Submit by May 1, 2004, a written application, on forms
2 6 prescribed by the department of administrative services,
2 7 seeking participation in the program.
2 8 b. Agree to waive any and all rights to receive payments
2 9 of sick leave balances under section 70A.23 and accrued
2 10 vacation balances in a form other than as provided in this
2 11 section.
2 12 c. Agree to waive all rights to file suit against the
2 13 state of Iowa, including all of its departments, agencies, and
2 14 other subdivisions, based on state or federal claims arising
2 15 out of the employment relationship.
2 16 d. Acknowledge, in writing, that participation in the
2 17 program waives any right to accept permanent part-time or
2 18 permanent full-time employment with the state other than as an
2 19 elected official on or after July 2, 2004.
2 20 e. Agree to separate from employment with the state by
2 21 July 2, 2004.
2 22 3. a. Upon acceptance to participate in the program and

2 23 separation from employment with the state by July 2, 2004, a
2 24 participant shall receive a sick leave and vacation incentive
2 25 benefit. The state shall pay to the participant a portion of
2 26 the sick leave and vacation incentive benefit each fiscal year
2 27 for a period of five years commencing with the fiscal year
2 28 ending June 30, 2005.

2 29 b. A participant in the program shall be eligible to
2 30 continue participation in the group plan or under the group
2 31 contract at the participant's own expense in the same manner
2 32 as a retired employee pursuant to section 509A.13. In
2 33 addition, a participant shall be deemed an eligible retired
2 34 state employee for purposes of eligibility for continuation of
2 35 group insurance covering spouses as provided in section
3 1 509A.13A.

3 2 4. a. The department of administrative services shall
3 3 administer the program, including the determination of
3 4 eligibility for participation in the program, and shall adopt
3 5 administrative rules to administer the program. The
3 6 department may adopt rules on an emergency basis under section
3 7 17A.4, subsection 2, and section 17A.5, subsection 2,
3 8 paragraph "b", to implement this section and the rules shall
3 9 be effective immediately upon filing unless a later date is
3 10 specified in the rules.

3 11 b. Records of the Iowa public employees' retirement system
3 12 may be released for the purposes of administering and
3 13 monitoring the program subject to the requirements of section
3 14 97B.17, subsection 5.

3 15 c. The department of administrative services, in
3 16 collaboration with the department of management, shall present
3 17 an interim report to the general assembly, including copies to
3 18 the legislative services agency and the fiscal committee of
3 19 the legislative council, by October 1, 2004, concerning the
3 20 operation of the program. The department shall also submit an
3 21 annual update concerning the program by October 1 of each year
3 22 for four years, commencing October 1, 2005. The reports shall
3 23 include information concerning the number of program
3 24 participants, the cost of the program including any payments
3 25 made to participants, the number of state employment positions
3 26 eliminated pursuant to the program, and the number of
3 27 positions vacated by a program participant that have been
3 28 refilled.

3 29 5. An employer, as defined in section 70A.38, may employ
3 30 persons to fill vacancies created as a result of employee
3 31 participation in the program established pursuant to this
3 32 section subject to the following:

3 33 a. The employer shall not fill more than seventy-five
3 34 percent of the vacancies created as a result of employee
3 35 participation in the program.

4 1 b. An employer shall not offer employment to an individual
4 2 who is participating in the program established pursuant to
4 3 this Act or in an early termination program established
4 4 pursuant to 2001 Iowa Acts, Second Extraordinary Session,
4 5 chapter 5, and to 2002 Iowa Acts, Second Extraordinary
4 6 Session, chapter 1001.

4 7 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
4 8 immediate importance, takes effect upon enactment.

4 9 EXPLANATION

4 10 This bill establishes a sick leave and vacation incentive
4 11 program in a manner similar to the program established in
4 12 2001.

4 13 The bill establishes a sick leave and vacation incentive
4 14 program for eligible employees of the executive branch of the
4 15 state, including employees of the department of justice, who
4 16 are not covered by a collective bargaining agreement or who
4 17 are represented by the largest statewide public employees'
4 18 organization representing state employees. Employees of a
4 19 judicial district department of correctional services and the
4 20 state board of regents may participate if the employing entity
4 21 agrees to participate. The bill excludes elected officials
4 22 from participation. The program shall be administered by the
4 23 department of administrative services. The bill permits
4 24 eligible executive branch employees for which the sum of the
4 25 number of years of credited service under the Iowa public
4 26 employees' retirement system (IPERS) and the public safety
4 27 peace officers' retirement, accident, and disability system
4 28 (PORS) and the employee's age as of December 31, 2004, equals
4 29 or exceeds 75 to separate from service with the state and
4 30 receive a sick leave and vacation incentive benefit payable in
4 31 five fiscal years beginning with the fiscal year that ends on
4 32 June 30, 2005. The incentive benefit is equal to the
4 33 employee's unused vacation plus the lesser of an amount equal

4 34 to 75 percent of the employee's regular annual salary or an
4 35 amount equal to 75 percent of the value of the employee's sick
5 1 leave. To receive the incentive benefit, an eligible employee
5 2 must submit an application to participate in the program by
5 3 May 1, 2004, separate from state employment by July 2, 2004,
5 4 acknowledge the employee's ineligibility to return to
5 5 permanent part-time or permanent full-time employment with the
5 6 state, and waive any claims to unused sick leave or vacation
5 7 balances otherwise payable upon termination of employment.
5 8 Employees who participate in the program are eligible to
5 9 continue to participate in group insurance coverage from the
5 10 state in the same manner as employees who retire from state
5 11 employment. The bill also permits release of IPERS records
5 12 for the purpose of monitoring and administering the sick leave
5 13 and vacation incentive program. The bill further provides
5 14 that an employer may fill vacancies created by employees
5 15 participating in the program but the employer shall not fill
5 16 more than 75 percent of the vacancies created and shall not
5 17 offer employment to an individual participating in the program
5 18 established by the bill or in an early termination program
5 19 established in 2001 or 2002.
5 20 The bill takes effect upon enactment.
5 21 LSB 6587HC 80
5 22 ec/sh/8